

File in Hocket No  
E-01345A-05-0818

ORIGINAL



0000039942

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

4700

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion      No. 2006 - 49467

Date: 1/25/2006

Complaint Description:      08A Rate Case Items - Opposed

First:

Last:

Complaint By:      **Marvin**

**Moulton**

Account Name:      Marvin Moulton

Home: (000) 000-0000

Street:      [REDACTED]

Work: (000) 000-0000

City:      Phoenix

CBR:

State:      AZ      Zip: [REDACTED]

is:

Utility Company:      **Arizona Public Service Company**

Division:      Electric

Contact Name:      For assignment

Contact Phone: (602) 000-0000

Nature of Complaint:

19 JAN. 2006

PRESIDENT/CEO JACK DAVIS

ACCOUNT# [REDACTED]

I HAVE HAD THIS ACCOUNT WITH APS FOR ABOUT 29 YEARS AND APS HAS GOT ITS MONEY DUE ABOUT 348 TIMES

THIS IS A SMALL APARTMENT COMPLEX WITH 25 ACCOUNTS PLUS MINE 26 FOR THOSE THAT ARE COUNTING.

I HAVE TO RUN MY BUSINESS, LIKE MOST OF AMERICANS, THE GOOD WITH THE BAD. IF SOME ONE DOES NOT PAY THE RENT DUE I HAVE TO GIVE THEM 30 DAYS NOTICE AND THEN A 10 DAY NOTICE FOR THEM TO MOVE THAT DOES NOT GET ME THE MONEY THAT THEY OWE ME THAT WOULD HAVE TO COME FROM THE DEPOSIT WHICH IS TO BE USED FOR REPAIRS, AND THERE WILL BE SOME AND THEN I HAVE TO TRY AND RENT THE UNIT ALL OVER AGAIN AND THIS COST MONEY, SO I LOOSE EACH AND EVERY TIME, NOW THAT'S JUST BUSINESS. OF COURSE APS DOES NOT TAKE ANY CHANGES. JUST PROFIT AND MORE PROFIT OF COURSE YOU ASK FOR AND GET RATE INCREASES. WITH YOUR PARENT COMPANY HAVING THE VERY HIGHEST PAID MEMBERS IN THIS COUNTRY.

THE LETTER THAT YOU SENT WANTING A DEPOSIT IS WAY OUT OF LINE. YOU BASE THE NEED FOR A DEPOSIT BECAUSE I HAVE BEEN LATE, MOST BUSINESS GIVE A 30 DAY BEFORE THE PAYMENT IS LATE BUT NOT ONE OF THE BIGGEST CO. IN ARIZONA, YOU WANT AND GET YOUR MONEY ON DEMAND.

C.C. CORPORATION COMMISSION

RE; RATE INCREASE

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January 10, 2006

MARVIN MOULTON

[REDACTED]

RECEIVED  
AZ CORP COMMISSION  
DOCUMENT CONTROL

2006 JAN 25 P 3:16

# ARIZONA CORPORATION COMMISSION

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RE: APS Account Number [REDACTED]

At APS, we work hard to help our valued customers keep their account information up to date and in good standing. Our records show your APS bill has been delinquent multiple times and no security deposit is presently held.

It is our pleasure to provide continued service to you, but to do so without a deposit, we ask that all electric bill payments be made on time. Unfortunately, should another bill for service become delinquent, a deposit will be required.

If you have any questions regarding this, please call us at (602)371-6767 or 1-800-253- 9407, Monday through Friday, from 8:30 am. to 5:00 p.m.

We appreciate your business and your attention to this matter.

Sincerely,  
Lori  
Customer Associate  
APS Business Customer Care Center  
\*\*\*\*\*

November2005

6 007344  
Marvin C. Moulton  
[REDACTED]  
Phoenix, AZ 85032

To our Customers:

On Friday, we filed for a 20 percent increase in our electric prices

The reason won't come as a surprise. Fuel costs are way up - natural gas prices for example, have tripled in the last three years. Those same unprecedented fuel prices you are experiencing when you fill up your car are having a dramatic impact on the cost of electricity.

While fuel costs represent two-thirds of this request, they aren't the only reason. Arizona's future will rely on an electric company that is strong enough to power an expanding economy with electricity that is safe, reliable and environmentally friendly. This increase will allow APS to meet this future, while investing in energy efficiency programs for our customers and building necessary infrastructure to meet the demands of our rapidly growing state.

We have worked very hard to increase our efficiency as a company. We've added more than 300,000 customers over the last decade, without increases in our staff. We've invested in new technology and environmentally friendly energy resources, and have aggressively managed volatile gas prices for the benefit of our customers.

The hard work will not cease, but a price increase has become a necessity.

We understand higher prices aren't welcome news. And, to be clear, this is in addition to the 1.7 percent temporary increase related to fuel price adjustments pending before the Arizona Corporation Commission. We also expect to file for another fuel price adjustment in April 2006 that could be as much as an additional 5 percent, a portion of which is for Palo Verde-related expenses.

We don't like having to ask to increase your bills, but keeping the lights on for our state is a responsibility we take very seriously. A healthy Arizona requires an electric company strong enough to meet our state's needs.

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I invite you to learn more about this important issue at [BrightArizonaFuture.com](http://BrightArizonaFuture.com).

Sincerely,  
Jack E. Davis  
President and CEO

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### NEWS RELEASES

To: Editors, News Directors  
For: Immediate Release

Date: March 29, 2005

#### COMMISSIONERS RULE ON APS RATE CASE Decision Caps Historic Process Involving More than 20 Intervenors and Advocate Groups

PHOENIX - The Arizona Corporation Commission yesterday approved with a 4-1 vote Arizona Public Service's first full rate case in 14 years. A 1999 settlement continued several years of steadily declining electric rates. The Commissioners began debating various issues in this rate case on March 24 and reconvened Monday for a marathon session that spanned nearly 10 hours and discussion of more than 2: proposed amendments.

"Our decision caps almost two years of intense study and negotiations aimed at giving the company the finances it needs to continue providing reliable, affordable electric service," Commission Chairman Jeff Hatch-Miller said. "There were several facts that added up to a rate increase - since 1991 the cost of fuel used to generate power has gone up dramatically. Also, the state's record growth requires the utility to spend more on infrastructure to meet demand."

The Commission approved a rate case that results in a 4.21 percent increase in base rates for the typical residential customer using 738 kilowatt hours of electricity - taking a yearly average \$72 bill to around \$75. Additionally, the decision introduces a bill component that is designed to recognize the effects of constantly changing fuel prices.

Once a year, beginning in April 2006, a Power Supply Adjustor (PSA) will be set to collect fuel and purchased power costs that are above the costs reflected in the existing rate formula. The mechanism can also work in reverse if these costs are below those in the base test year calculations.

Because natural gas prices are at historic highs and because natural gas is widely used to generate electricity, experts are predicting that the PSA will result in a second small increase in April 2006. The PSA is capped at four-tenths of a cent per kilowatt hour and if the PSA reaches the cap, bills could increase \$2.95 in April 2006.

"We took steps to protect our state's neediest APS customers. Nearly all eligible low-income customers will see a net reduction in base rates because we adopted the recommendations in the settlement to give larger rate discount for low-income customers," Commissioner Kris Mayes said.

An amendment sponsored by Mayes also exempts qualifying low-income customers from the PSA component. The Commission decision also requires APS to spend more money on weatherization programs for low-income customers.

"Even though natural gas prices have skyrocketed, APS rates resulting from our decision are still lower than rates were in the late 1980s. APS rates have gone down approximately 16 percent since 1991," Commissioner Bill Mundell said. "It certainly was much easier for me to vote for a 7.5 percent rate decrease in 1999 than it is to vote for this increase. Having weighed all the facts, specifically the escalating cost of gas and explosive growth, I

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find it difficult but necessary to vote in favor."

Commissioner Marc Spitzer is interested in demand response programs that provide an incentive for consumers to conserve energy.

"Time of use rates, where rates are significantly lower during off peak hours and higher during peak demand, provide a powerful economic incentive for people to change their usage behavior," Spitzer said "APS currently has a 'time of use' plan that gives customers lower rates if they shift their energy intensive activity like drying clothes to the hours between 9 p.m. and 9 a.m."

Citing the fact that many working families find the 9 p.m. start for off-peak rates to be inconvenient, Spitzer sponsored an amendment that requires APS to develop a plan to implement other time of use options without affecting the overall rate and revenue calculations.

Commissioner Mike Gleason voted against the revised decision saying that he believes that specific renewable energy and demand side management mandates - while noble goals - in effect subsidize these more costly programs, leading to higher and unlimited costs in the future.

"Several things that went into this order could end up costing ratepayers a whole lot of money. There's lot of good stuff in this but we could have done better," Gleason said as he cast the only vote against the amended order.

Major components of the rate case decision include:

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\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

1/25/06 Opinion filed in Docket No. E-01345A-05-0816. closed

\*End of Comments\*

Date Completed: 1/25/2006

Opinion No. 2006 - 49467

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